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PATENT
Atty. Docket No. 35512-33

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:

G. MICHAEL PHILLIPS, ET AL.

Application No.: 09/615,021

Filed: July 13, 2000

For: SENSITIVITY/ELASTICITY-BASED ASSET
EVALUATION AND SCREENING

Group Art Unit: 3692

Examiner: Subramanian, Narayanswamy

Conf. No.: 3965

**SUBSTITUTE RESPONSE TO NOTIFICATION OF NON-COMPLIANT APPEAL BRIEF
ON APPEAL TO THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In response to the Notification of Non-Compliant Appeal Brief mailed on June 5, 2007, a Response to Notification of Non-Compliant Appeal Brief was filed on July 5, 2007. On August 20, 2007, the Examiner telephoned Appellants' attorney and suggested making certain changes to the Summary of the Invention section. This Substitute Response to Notification of Non-Compliant Appeal Brief is filed in response to the Examiner's suggestions. Specifically, in lieu of the replacement Summary of the Invention section that was submitted on July 5, 2007, please replace the Summary of the Invention section that was included in the Corrective Appeal Brief

filed on January 20, 2006, with the following section titled, “Summary of Claimed Subject Matter”.

V. Summary of Claimed Subject Matter

Investors and financial managers generate and analyze a variety of different metrics when making investment decisions. The present invention provides an approach for generating new metrics that often can improve the quality of investment decisions.

Generally speaking, the present invention creates a model to predict future tendencies of the value of an asset to change based on changes in selected exogenous variables. See, e.g., page 12 line 10 to page 15 line 20 of the Specification. Price sensitivities and price elasticities are examples of such tendencies to change value. See, e.g., page 12, lines 10-15 of the Specification. The predicted values of the asset’s tendency to change value can then be used, typically in conjunction with other information, for example, to make appropriate adjustments to a given portfolio. See, e.g., page 15 line 21 to page 17 line 22 of the Specification.

Also, by allowing one to predict, e.g., the future price sensitivity of a particular asset to fluctuations in other measures and variables often can permit better management of, and/or accounting for, specified types of risk (e.g., risk based on interest-rate fluctuations). See, e.g., page 16 line 21 through page 17 line 22.

Independent claims 1, 37 and 39 are summarized as follows. Historical data for the value of an asset are processed together with historical data values for several exogenous variables to obtain a formula for calculating a measure of a tendency of the asset value to change as a result of changes in the data values for the exogenous variables (e.g., a price sensitivity or price elasticity formula), where such formula is a function of such exogenous variables. See, e.g.,

page 4 line 20 through page 11 line 3 and page 12 line 10 to page 15 line 20 of the Specification. Projected data values are obtained for the exogenous variables (e.g., as described at page 11 lines 4-32 of the Specification), and a measure of the tendency of the asset value to change based on a change in at least one of the exogenous variables is estimated using the obtained formula and the input projected data values (e.g., as described from page 12 line 10 through page 16 line 20 of the Specification).

An example of this technique is helpful. Assume that it is desirable to know the present or future price sensitivity of a share of Microsoft common stock to any or all of the consumer price index (CPI), the gross national product (GNP) and the national unemployment rate. In accordance with the present invention, past values of the share price for Microsoft stock might be regressed against past data values for each of those three exogenous variables, in order to derive one or more price sensitivity formulas that describe how the price sensitivity of Microsoft common stock to each of the CPI, the GNP and the national unemployment rate vary as a function of those three quantities (or exogenous variables).

Then, projected data values for the CPI, the GNP and the national unemployment rate are obtained. For example, as described in the patent applications incorporated by reference in the present Specification, predictions from numerous individuals may be combined in order to generate forecasted values for each of the three indicated variables at a point in time one month in advance of the current date.

Lastly, these projected data values may be plugged into the price sensitivity formula obtained above in order to estimate the price sensitivity of a share of Microsoft common stock to any or all of the CPI, GNP and the national unemployment rate. The estimated price sensitivities may be deemed valid, for example, at the date that is one month in advance of the current date.

In short, the present invention provides asset evaluation/screening techniques in which different economic scenarios can be specified and then elasticities, sensitivities or similar measures of tendency of the asset value to change based on changes in one or more exogenous variables can be projected under such scenarios. Such data can be used to screen or otherwise evaluate assets.

In a preferred embodiment of the invention, the foregoing technique is incorporated into an asset evaluation/screening tool, allowing users to input various “what if” (i.e., hypothetical) scenarios with respect to any of a variety of macroeconomic, industry-specific, firm-specific or even non-financial data and then obtain projected elasticities, sensitivities or similar measures for selected assets with respect to selected factors based on the input scenario.

In claim 37, the recited means (a) for processing historical data for value of an asset and historical data values for plural exogenous variables to obtain a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables, wherein said formula is a function of the exogenous variables, corresponds, e.g., to one or more programmed general-purpose computers or other processor-based or computing devices, a special-purpose computer or any combination of the foregoing, as described, e.g., from page 31 line 9 through page 33 line 16 of the Specification. The recited means (b) for obtaining projected data values for the exogenous variables corresponds, e.g., to one or more programmed general-purpose computers or other processor-based or computing devices, a special-purpose computer or any combination of the foregoing, as described, e.g., from page 31 line 9 through page 33 line 16 of the Specification. The recited means (c) for estimating a measure of the tendency of the value of the asset to change based on a change in at least one of the exogenous variables using the formula obtained by said means (a) and the

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projected data values obtained by said means (b) corresponds, e.g., to one or more programmed general-purpose computers or other processor-based or computing devices, a special-purpose computer or any combination of the foregoing, as described, e.g., from page 31 line 9 through page 33 line 16 of the Specification.

If there are any fees due in connection with the filing of the currently submitted papers that have not been accounted for in this paper or the accompanying papers, please charge the fees to our Deposit Account No. 502490. If an extension of time under 37 C.F.R. 1.136 is required for the filing of the currently submitted papers and is not accounted for in this paper or the accompanying papers, such an extension is requested and the fee (or any underpayment thereof) should also be charged to our Deposit Account.

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Respectfully submitted,
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